



Patrick W. Henning, Director

October 27, 2009

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Arnold Schwarzenegger  
Governor

Mr. Earl Johnson, Senior Policy Advisor  
City of Oakland, Office of the Mayor  
1 Frank H. Ogawa Plaza, Third Floor  
Oakland, CA 94612

Dear Mr. Johnson:

WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the City of Oakland's Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board (WIB) and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. David Hinojosa and Ms. Cheryl Kemp from October 20, 2008 through October 24, 2008. However, we determined additional information was needed to complete our review and therefore Mr. David Hinojosa returned on April 27, 2009 through May 1, 2009 to complete the review.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by the City of Oakland with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with City of Oakland representatives, and service provider staff. In addition, this report includes the results of our review of sampled case files, the City of Oakland's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on October 26, 2009, and reviewed your comments and documentation before finalizing this report. Your response adequately addressed findings 1, 2, and 3 cited in the draft report. However, these issues will remain open until we verify your implementation of your stated corrective action plan (CAP) during a future onsite review or until you provide documentation that supports a closure of the findings. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 90209, 90210, and 90211, respectively.

### **BACKGROUND**

The City of Oakland was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, the City of Oakland was allocated: \$2,149,559 to serve adult participants; \$2,144,543 to serve youth participants; and \$1,483,037 to serve dislocated worker participants.

For the quarter ending March 31, 2009, the City of Oakland reported the following expenditures for its WIA programs: \$1,723,678 for adult participants; \$1,772,607 for youth participants; and \$1,040,171 for dislocated worker participants. In addition, the City of Oakland reported the following enrollments: 418 adult participants; 550 youth participants; and 223 dislocated worker participants. We reviewed case files for 30 of the 550 participants enrolled in the WIA program as of April 27, 2009.

### **PROGRAM REVIEW RESULTS**

While we concluded that, overall, the City of Oakland is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: WIB composition, Youth Council composition, and youth assessment. The findings that we identified in these areas are specified below.

#### **FINDING 1**

**Requirement:** WIA Section 117(b)(4) requires, in part, that each local board shall have a majority of the members representing business in the local area:

**Observation:** We observed that the Oakland WIB does not have a business majority. The WIB has 47 members of which 22 members are from the business community. As a result, two additional business members are needed to establish a business majority.

We found a similar issue in PY 2007-08.

**Recommendation:** We recommended that the City of Oakland provide a CAP, including a timeline, describing the steps that it is taking to obtain a business majority on the WIB and provide the Compliance Review Office (CRO) with a copy of the WIB roster after the business vacancy is filled.

**City of Oakland Response:** The City of Oakland stated that they expect three companies, United Parcel Service, Summit Health Care, and Costco to be designated to serve on the WIB by November 30, 2009 and that this will bring the business sector to twenty-five members, giving them a business majority.

**State Conclusion:** The City of Oakland's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until the City of Oakland provides documentation of a business majority on the WIB. Until then, this issue remains open and has been assigned CATS number 90209.

## **FINDING 2**

**Requirement:** WIA Section 117(h) states, in part, that membership of each youth council shall include representatives of youth service agencies, including a parent of an eligible youth and former participants.

**Observation:** We found that there is no representative on the City of Oakland Youth Council who is a parent of an eligible youth. In addition, the City of Oakland Youth Council lacks a representative who is a former participant. The City of Oakland was not able to provide documentation showing what steps have been taken to obtain the memberships of the above representatives.

**Recommendation:** We recommended that the City of Oakland provide CRO with a CAP, including a timeline, for appointing a representative who is a parent of an eligible youth and a representative who is a former participant. We also recommended that the City of Oakland provide CRO with a copy of the updated youth council roster after the representatives are appointed.

**City of Oakland Response:** The City of Oakland states that they have identified two former participants that will be appointed to the Youth Council by November 30, 2009. In addition, the City of Oakland stated they are working with all of their youth and adult service providers to identify a parent of an eligible youth to be appointed to the Youth

Council and have also expanded their search to the Oakland Unified School District.

**State Conclusion:** The City of Oakland's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until the City of Oakland provides CRO with a copy of the updated youth council roster showing a parent of an eligible youth and a former participant are appointed. Until then, this issue remains open and has been assigned CATS number 90210.

### **FINDING 3**

**Requirement:** WIA Section 129(c)(1)(A) and (B) states, in part, that youth programs shall provide an objective assessment of the academic levels, skill levels, and service needs of each participant, which assessment shall include a review of:

- employability,
- interests, and
- aptitudes (including interests and aptitudes for nontraditional jobs).

Additionally, youth programs shall include the development of a service strategy for each participant that shall identify:

- appropriate achievement objectives
- appropriate services taking into account the assessment conducted pursuant to WIA Section 129(c)(1)(A).

20 CFR Section 664.405 states, in part, that the design framework of local youth programs must provide an objective assessment of each youth participant, that meets the requirements of WIA Section 129(c)(1)(A) and develop an individual service strategy for each youth participant that meets the requirements of WIA section 129(c)(1)(B), including consideration of the assessment results for each youth.

**Observation:** We found that two youth providers lack some of the required elements of an objective assessment and one youth provider's identification of individual service strategy (ISS) is incomplete. Specifically, when making an objective assessment, the Scotlan Youth Family Center (SYFC) does not consistently document review of employability, interests, and aptitudes (including interests and aptitudes for nontraditional jobs). In addition, SYFC

does not document service strategies such as appropriate achievement objectives and services for the participant based on the assessment conducted. Of the ten youth participant case files reviewed, only one documented a service strategy under "comments".

The Pivotal Point Youth Services (PPYS) does not document review of employability and aptitudes as part of their objective assessment. Specifically, of three case files reviewed, none provided an assessment of employability and aptitudes (including interests and aptitudes for nontraditional jobs).

**Recommendation:** We recommended that the City of Oakland provide CRO with a CAP, including a timeline, to ensure that SYFC provides an objective assessment and service strategy that includes the above items and for PPYS to document review of employability and aptitudes as part of their objective assessment.

**City of Oakland Response:** The City of Oakland stated that they will communicate standards and expectations for WIA funded youth programs including a written memo and proposed ISS form to instruct them and remind them of the documentation requirements for their review of employability, interests, and aptitudes (including interests and aptitudes for nontraditional jobs) and maintaining the ISS for each program participant. The City of Oakland further states that they will institute a method and assessment tool to ensure achievement of proper assessments, documentation, and to ensure local monitoring is completed. The City of Oakland provided a timeline for completion. (Communicate standards and expectations-November 30, 2009, institute an assessment tool-November 15, 2009, and local monitoring-January 1, 2010).

**State Conclusion:** The City of Oakland's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, the City of Oakland's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90211.

In addition to the findings above, we identified a condition that may become a compliance issue if not addressed. Specifically, we found that the City of Oakland's youth providers are using the Comprehensive Adult Student Assessment System (CASAS) appraisal test for all steps of its youth literacy and numeracy testing process: appraisal, pre-test, and post test. The CASAS appraisal aids in the placement of

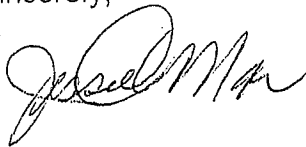
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learners into instructional programs and levels within those programs. Pre- and post-tests are designed to monitor progress within an instructional level. Therefore, appraisals are not appropriate for pre-testing, and post-testing and should not be used to measure learning gain. We suggested that the City of Oakland review its youth provider's literacy and numeracy testing processes to ensure that the CASAS assessment is conducted according to the testing procedures provided by the CASAS system. In addition, we strongly suggested that you contact your Regional Advisor for additional information and assistance. In its response, the City of Oakland stated that the Oakland Private Industry Council will review the youth provider's literacy and numeracy testing processes and communicate with the CASAS organization to ensure that the assessment is conducted according to their testing procedures. The City of Oakland's response adequately addressed our concerns and no further action is necessary.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is the City of Oakland's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain the City of Oakland's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief  
Compliant Monitoring Section  
Compliance Review Division

cc: Jose Luis Marquez, MIC 50  
Dathan O. Moore, MIC 50  
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